

# Atmanirbhar Bharat



Group 1  
Atmanirbhar Bharat: Prospects  
and challenges



# WHAT IS ATMANIRBHAR BHARAT MISSION?

- ▶ Atmanirbhar means 'self-reliant'.
- ▶ Not protectionist in nature.
- ▶ Economic package
- ▶ Benefits-
  - ▶ Labourers,
  - ▶ Farmers,
  - ▶ Honest tax payers,
  - ▶ MSMEs and the cottage industry.



# Pillars of Atmanirbhar Bharat

- ▶ **First Pillar: Economy**

Government's endeavour is towards building an economy that brings quantum jump rather than incremental change.

- ▶ **Second Pillar: Infrastructure**

should be world-class which becomes the identity of modern India.

- ▶ **Third Pillar: Technology-driven system.**

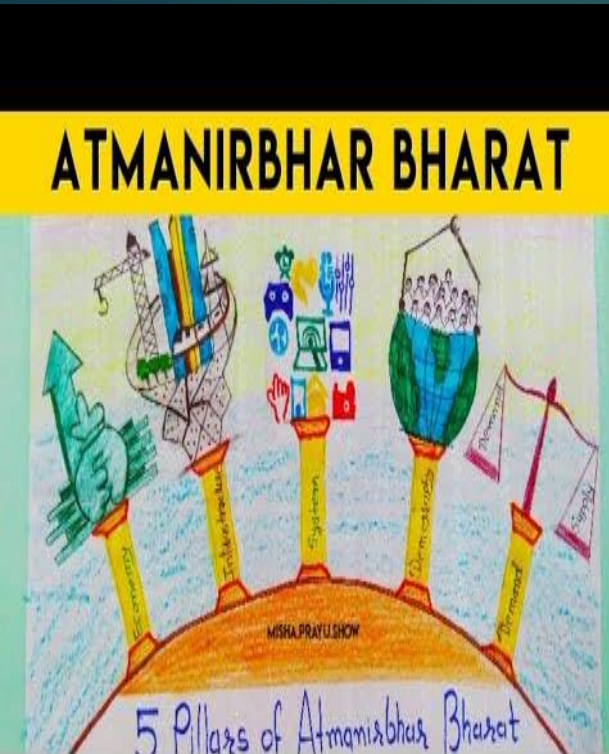
which can fulfill the dreams of the 21st century; a system not based on the policy of the past century.

- ▶ **Fourth Pillar: Demography**

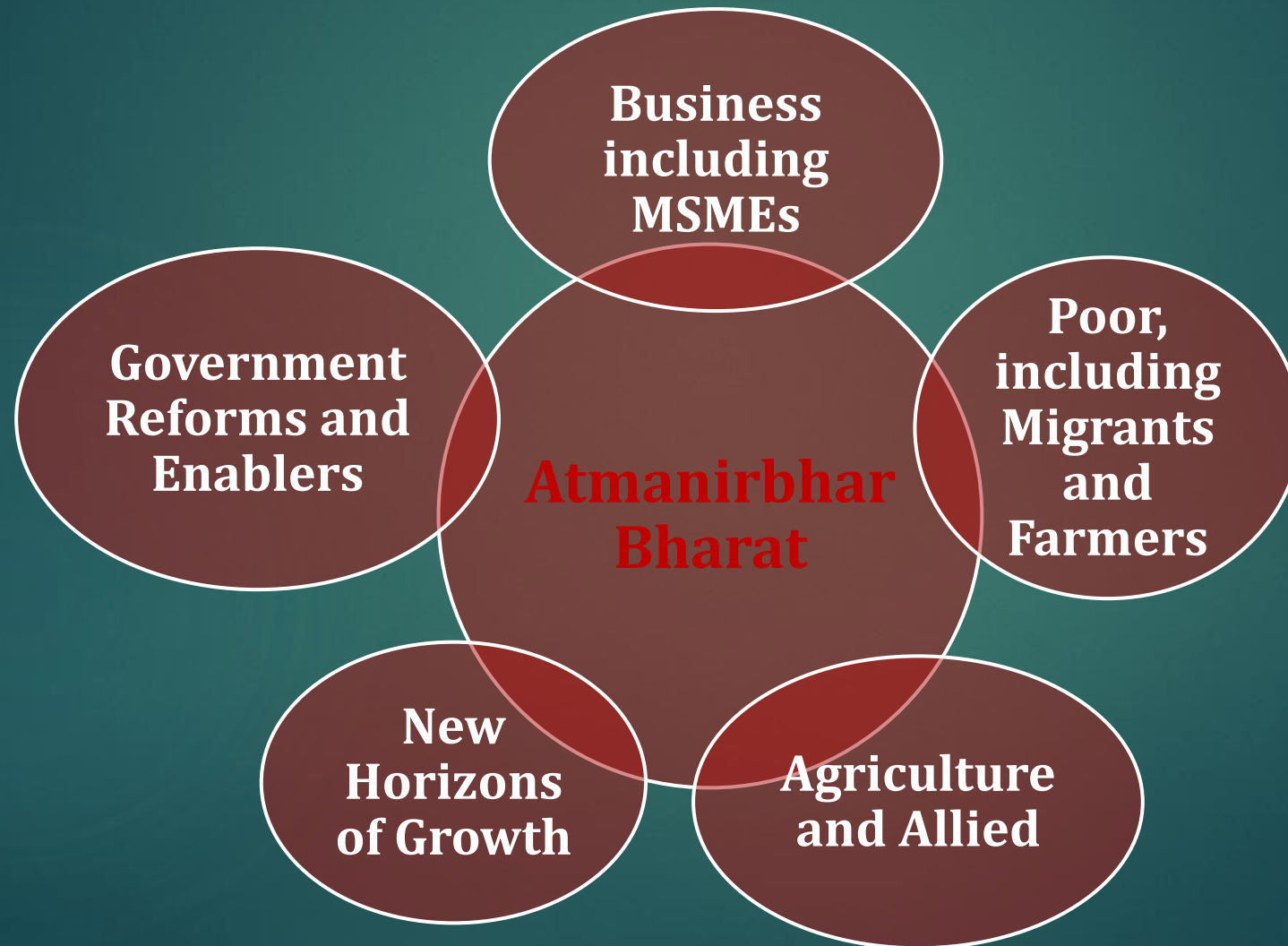
India's vibrant demography as the country's strength

- ▶ **Fifth Pillar: Demand**

In order to increase demand in the country and to meet this demand, every stake-holder in our supply chain needs to be strengthened



# Phases/Schemes



# Business/MSMEs

- **New definition** of MSMEs
- Rs 3 lakh crores **collateral free automatic loans**
- Rs.20000 crore **subordinate debt**
- Rs.50000 crore **equity infusion**
- Rs.30000 crore **liquidity facility** to MFIs/NBFCs
- **Global tender** to be disallowed up to Rs.200 crores
- **EPF support** to businesses
- **Direct tax** measures
- Rs.90000 crore **liquidity injections** to DISCOMs



# Poor (Migrants and Farmers)

- **Free food grains supply** to migrants
- **Technology** to be used enabling migrants to access PDS from any FPS; One Nation One Ration Card
- **Affordable Rental Housing Complexes** for Migrant Workers and Urban Poor
- **2% Interest Subvention** for 12 months for Shishu MUDRA loanees
- **Rs 5,000 crore Credit facility for Street Vendors**
- Extension of **Credit Linked Subsidy Scheme** for MIG under PMAY (Urban)
- **Rs 30,000 crore Additional Emergency Working Capital** for farmers
- **Rs 2 lakh crore credit boost** to 2.5 crore farmers under **Kisan Credit Card Scheme**



# Agriculture and Allied Sector

- **Agri Infrastructure Fund** for farm-gate infrastructure
- Scheme for **Formalisation of MFE**
- Pradhan Mantri Matsya Sampada Yojana; National Animal Disease Control Programme; Animal Husbandry Infrastructure Development Fund; Promotion of **Herbal Cultivation**
- **Beekeeping** initiatives
- Extension of **Operation Greens**
- **Agriculture Marketing Reforms**



# New Horizons of Growth

- ▶ **Coal and mineral sector:** Introduction of commercial mining; Exploration-cum-production regime for partially explored blocks; Infrastructure development; Focus on 'Ease of Doing Business'; removing distinction between captive and non captive mines; rationalization of Stamp Duty
- ▶ **'Make in India' for 'Self-Reliance' in Defence Sector:** Corporatization of Ordnance Factory Board; Indigenization of spare parts; FDI limit to be increased from 49% to 74%; Time bound defence procurement process
- ▶ **Civil Aviation sector:** Restrictions relaxed on the utilisation of the Indian Air Space; airports in PPP mode; tax regime for MRO ecosystem to be rationalized
- ▶ **Power sector:** Privatization of Distribution in UTs; tariff policy reforms
- ▶ **Boosting private sector investment** in social infrastructure, Space Activities and Atomic Energy





# Govt. Reforms and Enablers

## ▶ **Social sector:**

- **MGNREGS:** Rs 40,000 crore increase in allocation
- **Health:** Increase in public health expenditure; investment in Health and Wellness Centres; Infectious Diseases Hospital Blocks in all districts and strengthening of lab network and surveillance by Integrated Public Health Labs; National Digital Health Mission
- **Education sector:** PM e-VIDYA; Manodarpan; e-learning in higher education; National Curriculum and Pedagogical Framework for school education

## ▶ **'Ease of Doing Business' related measures:**

- **IBC:** Suspension of fresh initiation of insolvency proceedings up to one year; minimum threshold to initiate insolvency proceedings raised to Rs. 1 crore; Special insolvency resolution framework for MSMEs; Decriminalisation of Companies Act defaults
- **Ease of Doing Business for Corporates:** Lower penalties for all defaults for Small Companies, One-person Companies, Producer Companies & Start Ups; direct listing of securities by PSUs in permissible foreign jurisdictions.
- **Public Sector Enterprise Policy** for a New, Self-reliant India
- Support to State Governments



# Approaches

► There are two approaches for Atmanirbhar Bharat –

First – Achieving self reliance by replacing imported products with domestically manufactured products.

Example – HAL Tejas, almost 70% of the aircraft systems need to be imported, RADAR used in the Tejas is imported from Israel.

Problem with this approach –

1. Technical advancement in any sector requires decades of research and development, huge investment.
2. Cutting off from the rest of the world.

ETPrime

## Tejas Light Combat Aircraft: The not so Indian fighter



# Approaches

- ▶ Second Approach –
- ▶ Permitting the PSUs to have a joint venture with foreign companies to acquire technical knowhow and global managerial skills. Though this approach has been opted in 1980s resulting in joint ventures generating mass production of low cost, high quality products.
- ▶ This approach is more desirable

Example – Maruti Suzuki; Maruti Udyog Ltd founded in 1981 and in 1982 joint venture agreement signed between Maruti Udyog Ltd and Suzuki of Japan

## Economic Milestone: Maruti Rolls Out People's Car (1983)

The company rolled out its first Maruti 800, a 796 cc hatchback, in Dec 1983. Today it makes one car every 12 seconds



# Prospects

## Power sector

### ► Issues:

- Low per capita power consumption
- Lower renewable energy production
- Import dependency ( 85% solar modules imported from China)

### ► Way forward:

- Commercial mining in coal sector
- Focus on each component i.e Generation-Transmission-Distribution
- Focus on Solar modules manufacturing- Enhance core competency in semiconductor manufacturing, subsidies, Cheap loans etc
- Creation and upgradation of Serviceability skill-sets pertaining to Solar and Wind Power plants
- Battery manufacturing



# Prospects

## Defence Sector

### ISSUES:

- ▶ Around 65% import dependency
- ▶ Two nuclear powers as neighbours
- ▶ Poor In-house high end tech manufacturing

### Way Forward:

- ▶ Focus on R&D: Increase in Budgetary allocation and Private participation
- ▶ Academia involvement
- ▶ Promote Start up's Ex: Tonbo Imaging- Bagged \$50 Million order from US Department of Defence
- ▶ Enhanced Private sector participation in High Tech components like Avionics, Material science, Additive manufacturing, Tactical Augmented reality etc
- ▶ Joint Ventures and Co-production



# Prospects

## Health Sector

- ▶ It will strengthen delivery of healthcare services across the full continuum of care.
- ▶ Setting up of national, regional, district and block level laboratories integrated into a network for surveillance functions backed by robust IT based reporting mechanisms leading to self-reliance for detection, prevention and containment of disease outbreak.
- ▶ There will be massive employment generation.
- ▶ Will help build up a frontline health workforce to respond to any public health emergencies in the future.
- ▶ Make districts self-sufficient in providing comprehensive treatment for infectious diseases without disruption to other services





# Prospects

## Telecom Sector



- ▶ Help achieve the Vision of the Telecom Regulatory Authority of India (TRAI) of net zero import of gears by 2022. Presently, 85 percent of the country's demand for telecom equipment is met through imports.
- ▶ All major telecom and networking products such as core transmission equipment, 4G/5G next-generation radio access network and wireless equipment, access and customer premises equipment, Internet of Things-access devices, other wireless equipment, and enterprise equipment like switches, routers etc. will be made in India leading to Cyber security
- ▶ Launch 5G services in the country with domestically manufactured components
- ▶ Generate huge direct and indirect employment
- ▶ Increase tax revenue
- ▶ Increase the intensity of telecom equipment manufacturing in India



# Challenges

- Slowdown of Aggregate Demand
- Issue related to Liquidity
- Lack of Backward and Forward Linkages
- Burgeoning Fiscal Deficit
- Difficulty in Mobilising Finances
- Investment Slowdown





# Challenges

- ▶ High Import Dependence- Solar Panels, APIs
- ▶ Governance Issues- Tax, Labour, Land Acquisition etc
- ▶ Logistics Issues-Connectivity, Energy, Water
- ▶ Agricultural Sector- Supply chain, Marketing, MSP
- ▶ Service Sector-Skilled workforce, Investment
- ▶ Research and Development-Inventions, Patents etc



# Conclusion

- ▶ Aatmanirbhar Bharat Abhiyan promises to provide benefits to everyone from every sector. It aims to be self resilient to face the competition with the global supply chain. The package will support the poor, labourers and migrant workers from both organized as well as unorganised sectors.
- ▶ The strategy of Atmanirbhar Bharat Abhiyan seems to give a strong supply-side push by boosting the availability of capital on easy terms and through supporting agriculture and business sectors.
- ▶ People's purchasing power needs to be increased and demand for industrial products and services must be created.
- ▶ Success of Atam nirbhar Bharat depend on the approach to be follow by Indian government.





आत्मनिर्भर  
भारत





Thank you